

CALIFORNIA ENERGY COMMISSION

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Sacramento, California 95814

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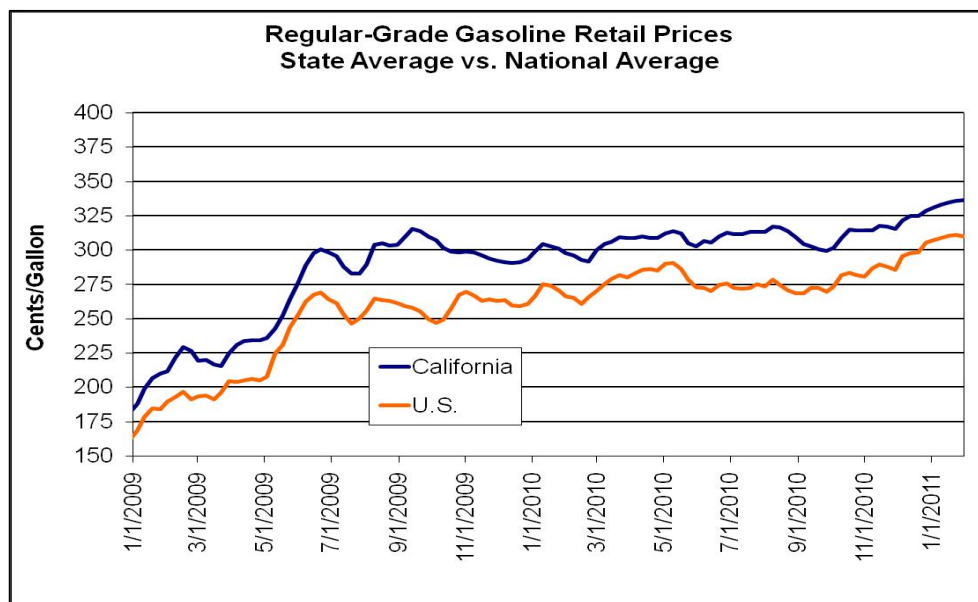
Main website: www.energy.ca.gov

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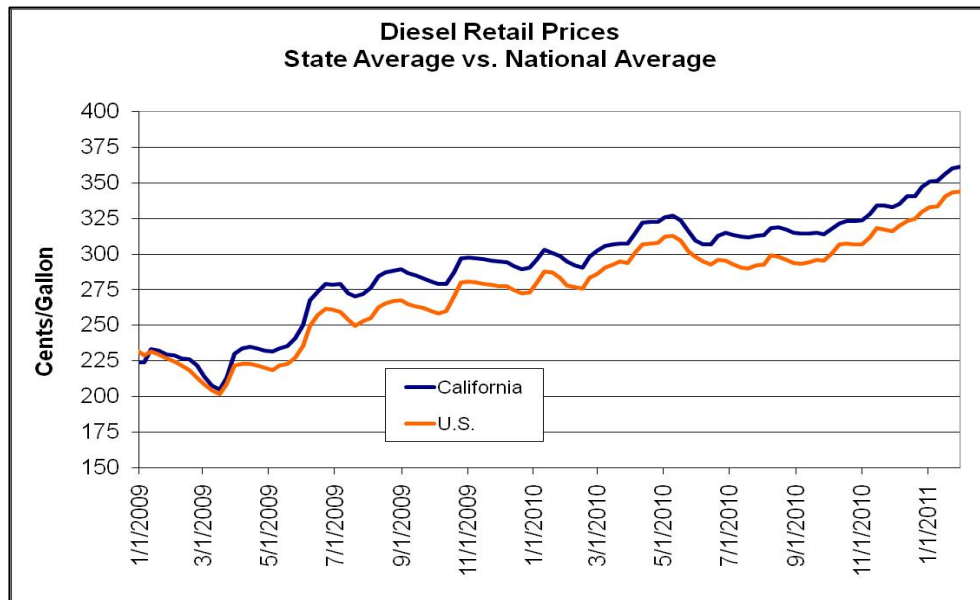
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****February 4, 2011*****Retail Gasoline and Diesel Prices on January 31***

- The average California **retail price for regular-grade gasoline** increased 1 cent from last week, rising to \$3.36 per gallon. Prices are 39 cents higher than this time last year and 5 cents higher than a month ago.ⁱ
- The difference between California and U.S. retail gasoline increased 2 cents since last month to 26 cents per gallon. U.S. gasoline prices increased 3 cents since last month to \$3.10 and are 44 cents more than this time last year.

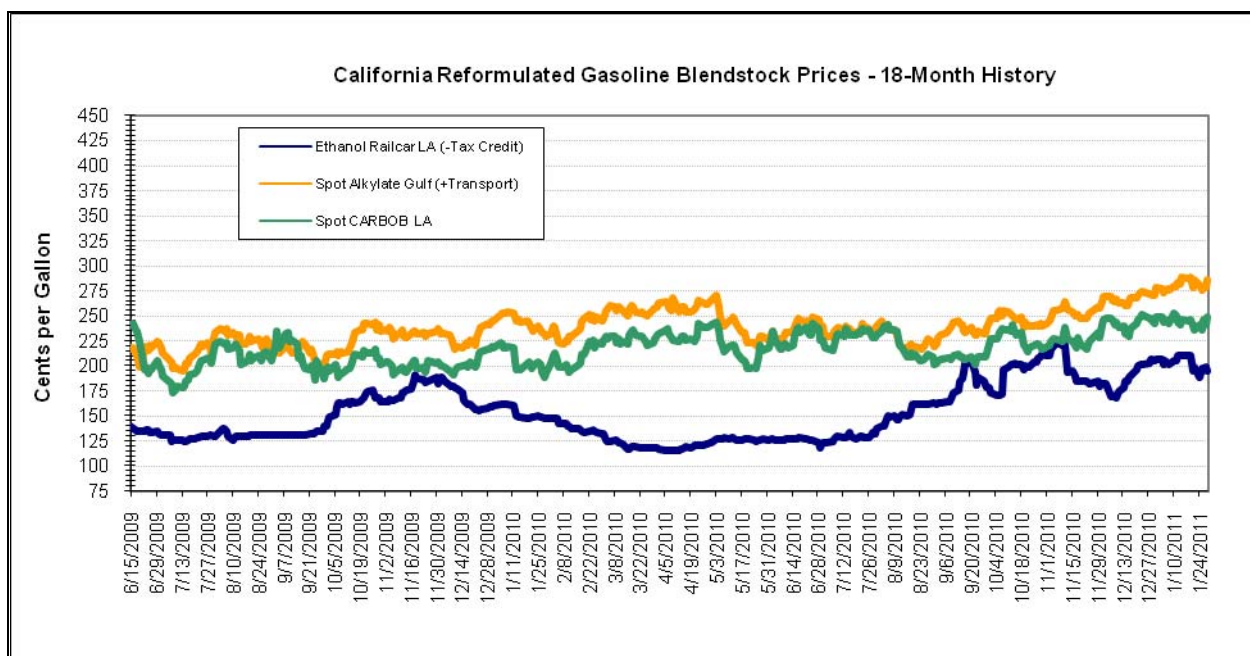


- The average California **retail diesel price** increased 10 cents since last month to \$3.61 per gallon. The U.S. retail diesel price increased 11 cents from a month ago to \$3.44 per gallon. Strong international diesel demand has contributed to the growing gasoline-diesel price differential.



Wholesale Gasoline and Blendstock Prices on February 1

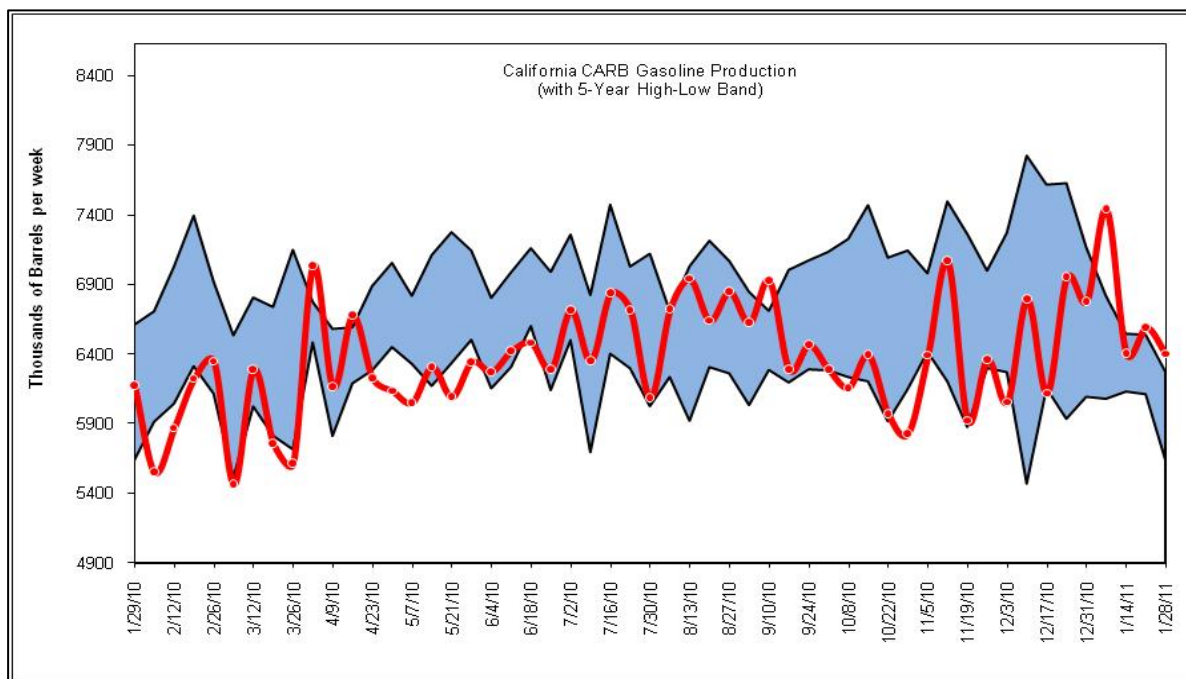
- California **spot wholesale gasoline prices** for regular-grade reformulated blendstock for oxygenate blending (RBOB) rose to \$2.56, 10 cents per gallon more than a month ago and 56 cents more than the same time last year.ⁱⁱ
- Spot prices for RBOB in Los Angeles are 8 cents per gallon more than New York Harbor.
- California **spot wholesale prices for fuel ethanol** fell 11 cents from last month to \$1.95 per gallonⁱⁱⁱ due to a decrease in corn prices.



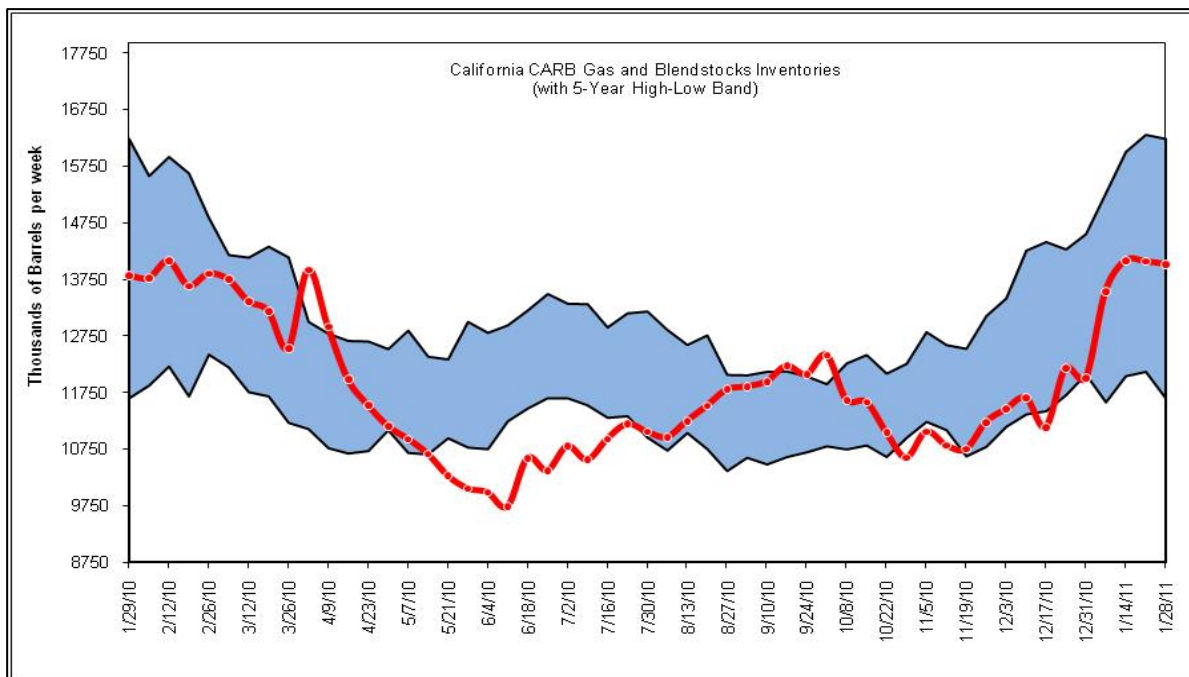
- The Energy Information Administration's (EIA) weekly report for the week ending January 28 shows that **U.S. gasoline demand** decreased 1.0 percent and distillate demand increased 4.9 percent from the previous week. The four-week average demand for gasoline is 8.7 million barrels per day, an increase of 0.6 percent from the four-week average at the same time last year. The four-week average for U.S. distillate demand is 3.7 million barrels per day, 0.3 percent less than the same period last year.

Refinery Production and Inventories

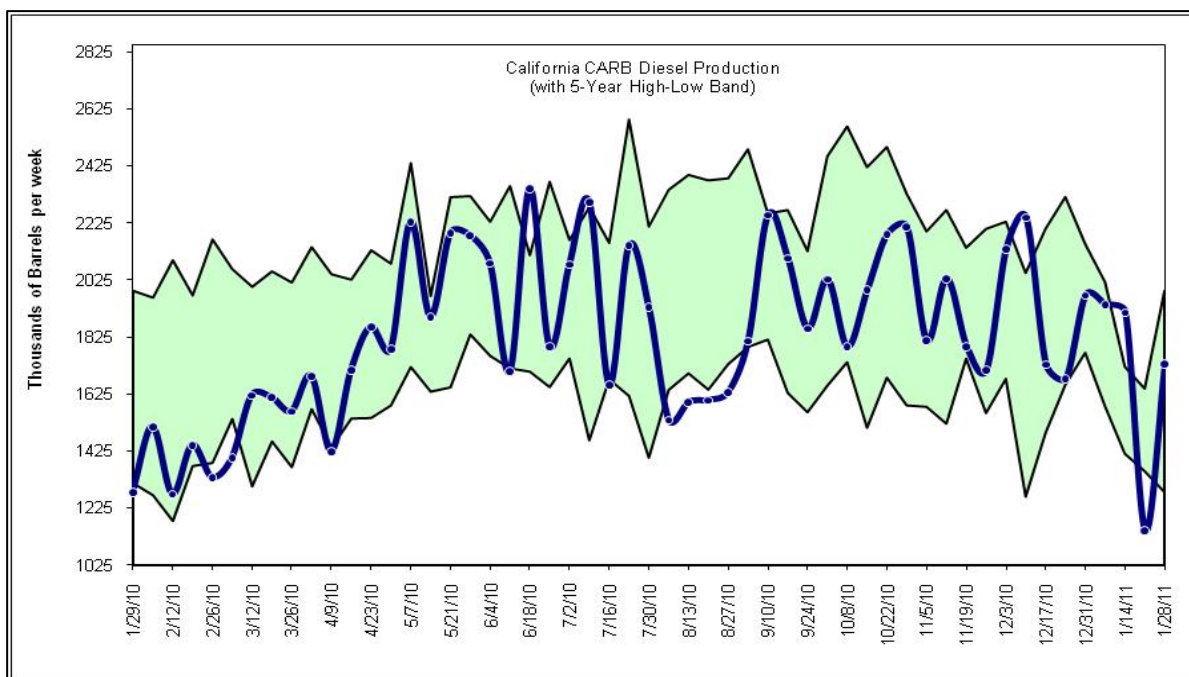
- **Reformulated gasoline production** in California for the week ending January 28 decreased 2.9 percent from the previous week to 6.4 million barrels, yet still remains above the five-year range and is 3.7 percent higher than a year ago.^{iv}



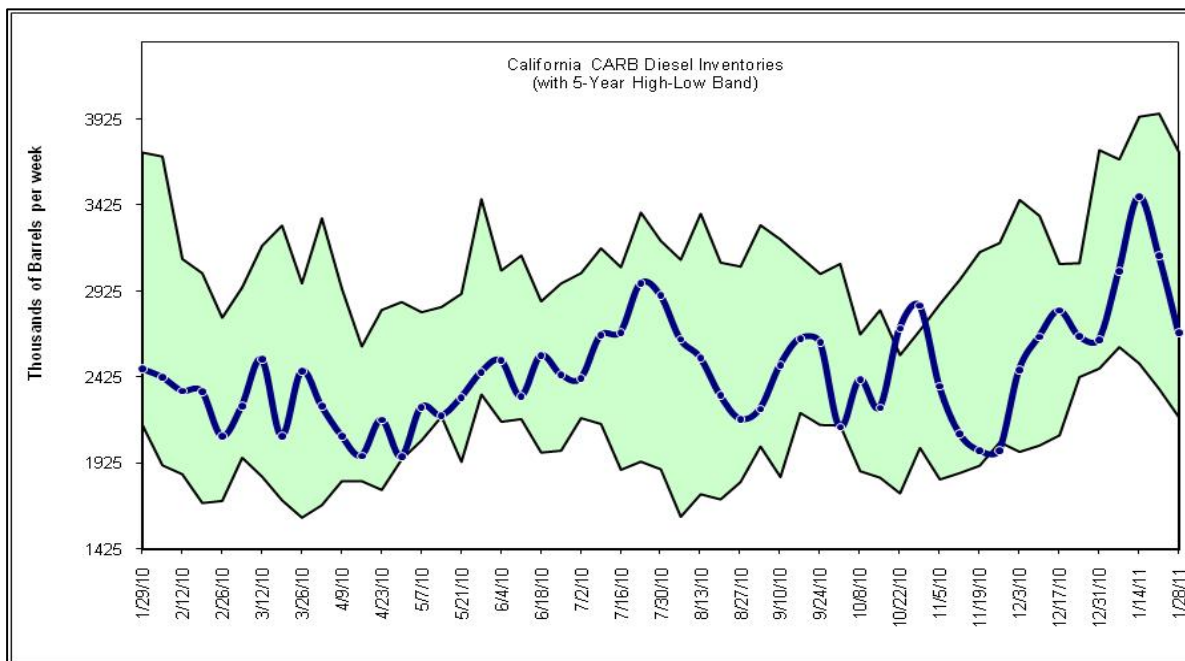
- California **reformulated gasoline inventories** increased 6.5 percent from last week, while gasoline blendstock inventories decreased 5.7 percent. Combined inventories of reformulated gasoline and gasoline blendstocks in the state decreased 0.2 percent to 14.3 million barrels and remain near the middle of the five-year range.



- U.S. gasoline inventories as of January 28 increased sharply to 236.2 million barrels, 6.2 million barrels more than the previous week. Inventories increased on the East, West, and Gulf Coasts.
- California-compliant **ultra-low-sulfur diesel fuel (CARB diesel) production^v** was 1.7 million barrels during the week ending on January 28, an increase of 51 percent from the previous week's depressed levels and rising to the upper portion of the five-year range.

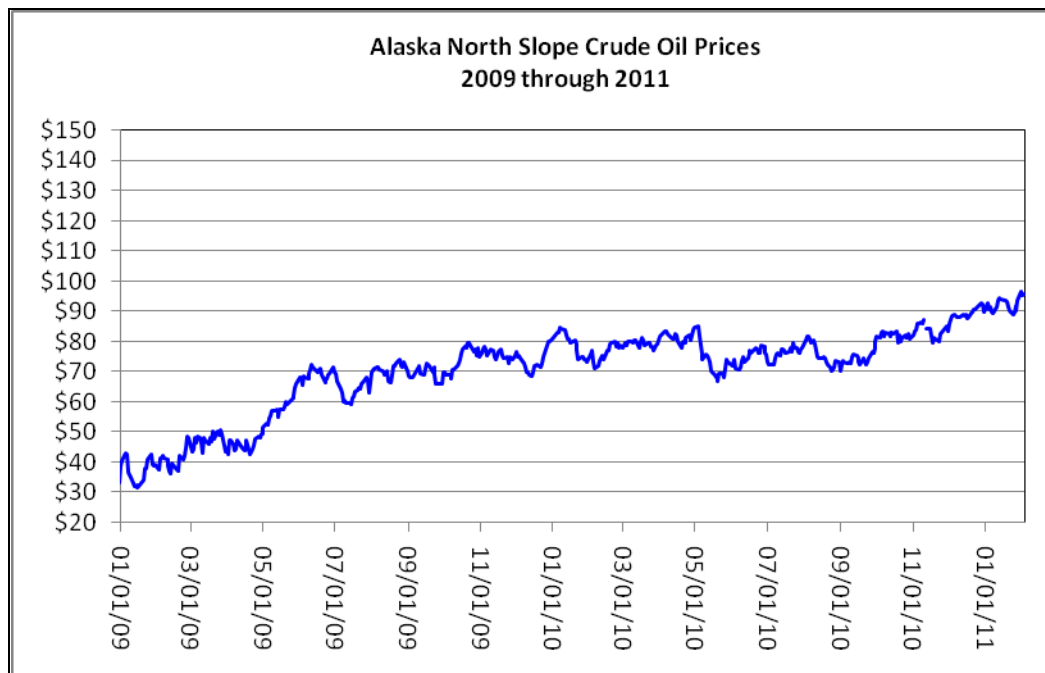


- **Inventories of CARB diesel** in California decreased 14.3 percent from the previous week to 2.7 million barrels, falling to the lower portion of the five-year range. Total U.S. distillate inventories as of January 28 fell to 164.1 million barrels, 1.6 million barrels less than the previous week. Inventories increased on the Gulf Coast and decreased on the East and West Coasts.



Crude Oil Prices and Inventories

- West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, increased to \$95.61 as of February 2. Overall, prices increased \$3.96 since last month and are \$18.38 higher than a year ago.^{vi} Political unrest in Egypt, a better than expected U.S. manufacturing report, a 3.2 percent fourth quarter 2010 GDP increase, and a leak in the Trans Alaska pipeline pushed prices up. However, higher than expected initial jobless claims and continued economic uncertainty helped restrain price increases. In a reversal of historical patterns, the Brent crude oil price index currently exceeds prices for the West Texas Intermediate (WTI) index. This unusual reversal between the indexes reached \$11.48 as of February 3. High crude inventories at Cushing, Oklahoma, have depressed WTI prices in relation to other crude oil types.



- U.S. commercial crude oil inventories as of January 28 rose by 2.6 million barrels from the previous week to 343.2 million barrels. Crude oil stocks are 14.2 million barrels more than this time last year and 20.4 million barrels more than the five-year average for this date. California crude oil stocks fell 2.7 percent from the previous week to 14.8 million barrels but are 19.9 percent more than last year.

ⁱ Retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

ⁱⁱ Since the Energy Information Administration is not currently publishing spot prices, the Energy Commission is using data from *The Wall Street Journal's* Market Data for spot wholesale prices. The Energy Commission will reconsider using the Energy Information Administration's wholesale spot gasoline and diesel prices if publication is resumed.

ⁱⁱⁱ Ethanol railcar prices are from Platts Oilgram and are average prices for prompt Southern California shipments minus a 45¢/gal federal excise tax credit for 2009 prices and a 51¢/gal federal excise tax credit for prices prior to 2009. California alkylate prices are also calculated from Platts Oilgram and include a 20¢/gal transportation and distribution cost from Gulf Coast to California. Spot wholesale prices for regular-grade California reformulated gasoline blendstock for oxygenate blending (CARBOB) are from Oil Price Information Service.

^{iv} California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

^v Staff has discontinued the reporting of combined CARB and EPA diesel production and inventories and will report only CARB diesel as of December 2009. EPA diesel is primarily for export from California.

^{vi} ANS crude oil prices are from *The Wall Street Journal*.